

**REMARKS**

This Application has been carefully reviewed in light of the Final Office Action mailed July 19, 2006 ("Office Action"). At the time of the Office Action, Claims 1-3 and 5-23 were pending in the application. In the Office Action, the Examiner rejects Claims 1-3 and 5-23. Applicant amends Claims 1, 20, and 22. Applicant respectfully requests reconsideration and favorable action in this case.

**Section 102 Rejections**

The Examiner rejects Claims 1-3, 5-10, 13, 15, 16, and 18-23 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application Publication No. 2001/0032141 A1 issued to Drattell ("*Drattell*"). Applicant respectfully traverses these rejections for the reasons stated below.

Independent Claim 1 of the present Application, as amended, recites:

A method for processing returned items of merchandise;  
comprising the steps of:

providing returns guidelines to a local return agent over a communications link, the returns guidelines for use by the local return agent in making a determination at a location remote from a return center as to the eligibility of an item for return, the local return agent authorized to make the determination on behalf of a merchant;

receiving an item remotely determined to be eligible for return at the return center;

accessing one or more return rules of a merchant associated with the item; and

processing the return in accordance with the return rules

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987); MPEP § 2131. In addition, "[t]he identical invention must be shown in as complete detail as is contained in the . . . claims" and "[t]he elements must be arranged as required by the claim." *Richardson v. Suzuki Motor Co.*, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989); *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990); MPEP § 2131 (*emphasis added*). Whether considered alone or in

combination with any other cited references, *Drattell* does not disclose, either expressly or inherently, each and every element of Claim 1.

For example, Applicant respectfully submits that *Schwab* does not disclose, teach, or suggest “providing returns guidelines to a local return agent over a communications link, the returns guidelines for use by the local return agent in making a determination at a location remote from a return center as to the eligibility of an item for return, the local return agent authorized to make the determination on behalf of a merchant,” as recited in Claim 1. Although *Drattell* discloses that the system “provides TRC with a high-level of intelligence to manage efficiently the returns for each retailer thus allowing TRC to ensure compliance with retailer’s return policy, prevent fraud, etc.” (Page 2, paragraph 22, emphasis added), the TRC is described by *Drattell* as “an outsourced return center” that “provides a series of locations throughout the customer region of the retailer.” (Page 1, paragraph 11). Thus, customers must bring the return item to a return center location to “have the return processed at the nearest location.” (Page 1, paragraph 5). As such, to the extent that *Drattell* discloses “ensur[ing] compliance with retailer’s return policy” (Page 2, paragraph 22), this is done by the “dedicated work-force having expertise in returns processing located in a plurality of individual locations near customer locales.” (Page 1, paragraph 5) *Drattell* does not disclose, teach, or suggest “providing returns guidelines to a local return agent over a communications link, the returns guidelines for use by the local return agent in making a determination at a location remote from a return center as to the eligibility of an item for return, the local return agent authorized to make the determination on behalf of a merchant,” as recited in Claim 1.

In the Office Action, the Examiner identifies *Drattell* as disclosing that “TRC will encourage e-retailers to (i) publish their return policies on the Web, and to (ii) provide a link to TRC’s Web site where TRC will list, among other things the TRC franchisee locations by state, city and zip code” (Page 2, paragraph 17). The portion of *Drattell* cited by the Examiner, however, merely suggests the use of an Internet web site, *Drattell* merely discloses the dissemination of information relating to e-retailer return policies and TRC locations via the e-retailer’s and TRC web sites, respectively. Thus, the Internet is used by the customer to identify a location to bring the item for return and subsequent processing is performed by “a

dedicated work-force having expertise in returns processing.” (Page 1, paragraph 5). The customer is not analogous to Applicant’s “local return agent,” however, since the customer of *Drattell* is not “authorized to make the determination [as to the eligibility of an item for return] on behalf of a merchant,” as recited in Applicant’s Claim 1.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claim 1, together with Claims 2-3, 5-10, 13, and 15-19 that depend from Claim 1.

The Examiner also relies on *Drattell* to reject independent Claims 20 and 22. Applicant respectfully submits, however, that *Drattell* does not disclose, teach, or suggest each and every element of Applicant’s independent Claims 20 and 22. For example, Claim 20 recites “a computer system programmed to . . . provide returns guidelines to a local return agent over a communications link, the returns guidelines for use by the local return agent in making a determination at a location remote from a return center as to the eligibility of an item for return, the local return agent authorized to make the determination on behalf of a merchant.” As another example, Claim 22 recites “computer product having instructions for . . . providing returns guidelines to a local return agent over a communications link, the returns guidelines for use by the local return agent in making a determination at a location remote from a return center as to the eligibility of an item for return, the local return agent authorized to make the determination on behalf of a merchant.” Thus, for reasons analogous to those discussed above with regard to Claim 1, Applicant respectfully submits that *Drattell* does not disclose, teach, or suggest each and every element set forth in Applicant’s independent Claims 20 and 22.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 20 and 22, together with Claims 21 and 23 that depend from Claims 20 and 22, respectively.

**Section 103 Rejections**

The Examiner rejects Claims 11, 12, and 14 under 35 U.S.C. § 103(a) as being unpatentable over *Drattell* in view of U.S. Patent Application Publication No. 2002/0010634 A1 issued to Roman et al. ("*Roman*"). Applicant respectfully traverses these rejections for the reasons stated below.

First, dependent Claims 11, 12, and 14 depend on Claim 1, which Applicant has shown above to be allowable. Additionally, Claims 11, 12, and 14 are patentable because they recite additional features and operations not disclosed, taught, or suggested in the prior art. Since Claims 11, 12, and 14 incorporate the limitations of independent Claim 1, Applicant has not provided detailed arguments with respect to Claims 11, 12, and 14. However, Applicant remains ready to do so if it becomes appropriate. For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 11, 12, and 14.

Second, Applicant respectfully submits that the Examiner has not provided the requisite teaching, suggestion, or motivation, either in the cited references or in the knowledge generally available to one of ordinary skill in the art at the time of Applicant's invention to make the proposed *Drattell-Roman* combination. Applicant's claims are allowable for at least this additional reason.

The question raised under 35 U.S.C. § 103 is whether the prior art taken as a whole would suggest the claimed invention taken as a whole to one of ordinary skill in the art at the time of the invention. Accordingly, even if all elements of a claim are disclosed in various prior art references, which is certainly not the case here as discussed above, the claimed invention taken as a whole cannot be said to be obvious without some reason given in the prior art why one of ordinary skill at the time of the invention would have been prompted to modify the teachings of a reference or combine the teachings of multiple references to arrive at the claimed invention.

The governing Federal Circuit case law makes this strict legal standard clear.<sup>1</sup> According to the Federal Circuit, “a showing of a suggestion, teaching, or motivation to combine or modify prior art references is an essential component of an obviousness holding.” *In re Sang-Su Lee*, 277 F.3d 1338, 1343, 61 U.S.P.Q.2d 1430, 1433 (Fed. Cir. 2002) (quoting *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1124-25, 56 U.S.P.Q.2d 1456, 1459 (Fed. Cir. 2000)). “Evidence of a suggestion, teaching, or motivation . . . may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, the nature of the problem to be solved.” *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). However, the “range of sources available . . . does not diminish the requirement for actual evidence.” *Id.* ***Although a prior art device “may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the reference to do so.”*** *In re Mills*, 916 F.2d at 682, 16 U.S.P.Q.2d at 1432 (emphasis added). *See also In re Rouffet*, 149 F.3d 1350, 1357, 47 U.S.P.Q.2d 1453, 1457-58 (Fed. Cir. 1998) (***holding a prima facie case of obviousness not made where the combination of the references taught every element of the claimed invention but did not provide a motivation to combine***); *In Re Jones*, 958 F.2d 347, 351, 21 U.S.P.Q.2d 1941, 1944 (Fed. Cir. 1992) (“Conspicuously missing from this record is any evidence, other than the PTO’s speculation (if that can be called evidence) that one of ordinary skill in the herbicidal art would have been motivated to make the modification of the prior art salts necessary to arrive at” the claimed invention.). Even a determination that it would have been obvious to one of ordinary skill in the art at the time of the invention to try the proposed modification or combination is not sufficient to establish a *prima facie* case of obviousness. *See In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1599 (Fed. Cir. 1988).

In addition, the M.P.E.P. and the Federal Circuit repeatedly warn against using an applicant's disclosure as a blueprint to reconstruct the claimed invention. For example, the M.P.E.P. states, ***“The tendency to resort to ‘hindsight’ based upon applicant’s disclosure is often difficult to avoid due to the very nature of the examination process. However, impermissible hindsight must be avoided and the legal conclusion must be reached on the basis of the facts gleaned from the prior art.”*** M.P.E.P. § 2142 (emphasis added). The

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<sup>1</sup> Note M.P.E.P. 2145 X.C. (“The Federal Circuit has produced a number of decisions overturning obviousness rejections due to a lack of suggestion in the prior art of the desirability of combining references.”).

governing Federal Circuit cases are equally clear. “A critical step in analyzing the patentability of claims pursuant to [35 U.S.C. § 103] is casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field. . . . Close adherence to this methodology is especially important in cases where the very ease with which the invention can be understood may prompt one ‘to fall victim to the insidious effect of a hindsight syndrome *wherein that which only the invention taught is used against its teacher.*’” *In re Kotzab*, 217 F.3d 1365, 1369, 55 U.S.P.Q.2d 1313, 1316 (Fed. Cir. 2000) (citations omitted; emphasis added). In *In re Kotzab*, the court noted that to prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. *See id.* *See also, e.g., Grain Processing Corp. v. American Maize-Products*, 840 F.2d 902, 907, 5 U.S.P.Q.2d 1788, 1792 (Fed. Cir. 1988). Similarly, in *In re Dembiczak*, the Federal Circuit reversed a finding of obviousness by the Board, *explaining that the required evidence of such a teaching, suggestion, or motivation is essential to avoid impermissible hindsight reconstruction of an applicant’s invention:*

Our case law makes clear that the best defense against the subtle but powerful attraction of hind-sight obviousness analysis is *rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references*. Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight.

175 F.3d at 999, 50 U.S.P.Q.2d at 1617 (emphasis added) (citations omitted; emphasis added).

According to the Examiner and with regard to Claim 11, “[i]t would have been obvious to one of ordinary skill in the art at the time the invention was made to have included disposing of the collected product using an auction or Internet auction web site, as disclosed by *Roman* in the system disclosed by *Drattell*.” (Office Action, page 4). As motivation for such a combination the Examiner cites “the advantage of providing a method (system) for enabling local return or remotely purchased products, with the ability to increase system cost effectiveness by offering several channels for disposing of the returned merchandise.”

(Office Action, page 5). It appears that the Examiner has merely proposed an alleged advantage of combining *Drattell* with *Roman* (advantages which Applicant does not admit could even be achieved by combining these references in the manner the Examiner proposes). The Examiner has not pointed to any portions of the cited references that would teach, suggest, or motivate one of ordinary skill in the art at the time of invention to incorporate the auctioning techniques disclosed in *Roman* with the third party return center disclosed in *Drattell*. In other words, the alleged advantage of the system disclosed in *Roman* does not provide an explanation as to: (1) why it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention (*without using Applicant's claims as a guide*) to modify the particular techniques disclosed in *Drattell* with the cited disclosure in *Roman*; (2) how one of ordinary skill in the art at the time of Applicant's invention would have actually done so; and (3) how doing so would purportedly meet the limitations of Applicant's claims. Indeed, if it were sufficient for Examiners to merely point to a purported advantage of one reference and conclude that it would have been obvious to combine or modify that reference with other references simply based on that advantage (which, as should be evident from the case law discussed above, it certainly is not), then virtually any two or more references would be combinable just based on the fact the one reference states an advantage of its system. Of course, as the Federal Circuit has made clear and as discussed above, that is not the law. Accordingly, Applicant respectfully submits that the Examiner's conclusions set forth in the Office Action do not meet the requirements set forth in the M.P.E.P. and the governing Federal Circuit case law for demonstrating a *prima facie* case of obviousness. Applicant respectfully submits that the rejection must therefore be withdrawn.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 11, 12, and 14.

**CONCLUSION**

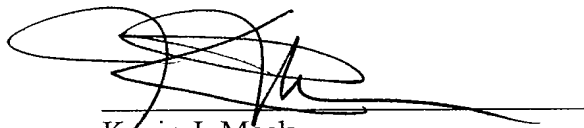
Applicant has made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other reasons clear and apparent, Applicant respectfully requests reconsideration and allowance of the pending claims.

Applicant does not believe any fees are due. However, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicant invites the Examiner to contact its attorney at (214) 953-6680.

Respectfully submitted,

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